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Appendix.

Report of the Committee on Public Accounts on the appropriation report on the accounts of the Madras Presidency, Provincial subjects, for 1921-22.

The Committee has examined the Appropriation report for the year 1921-22.

2. The total excess expenditure under voted items amounts to Rs. 6,52,454 which is more than covered by savings under other heads.

3. The excesses occurring under the different heads are shown below with the reasons for the excess. One of the items under each head is "Loss by Exchange". A lump sum of Rs. 12.60 lakhs was sanctioned by the Council under Grant No. XXXIII-A to meet the loss by exchange in respect of English transactions, which, under the rules then in force, was debitable to a separate major head "40. Exchange". Under the later orders of the Government of India to which retrospective effect was given by them, the expenditure on account of loss by exchange has been shown under the various major heads concerned, with the result that the grant of 12.60 lakhs under "40. Exchange" has not been utilized, but additional expenditure has been incurred under the various major heads. This additional expenditure has, wherever possible, been met from savings under the grants concerned.

EXCESSES UNDER THE GRANTS.

GRANT No. VII—GENERAL ADMINISTRATION.

Excess Rs. 1,35,931.

Excess—						Rs.
Civil Secretariats .. .. .	..	..	..	..	..	18,571
Loss by Exchange .. .. .	..	..	..	..	..	1,17,360
Total ..						<u>1,35,931</u>

The excess under "Civil Secretariats" is due to the fact that a sum of Rs. 30,000 provisionally fixed as due from the Central Government on account of the work done on their behalf in the Madras Secretariat on the administration of Central subjects was not adjusted by the Government of India during the year. A sum

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of Rs. 36,000 on this account has since been adjusted in the accounts for 1922-23.

GRANT No. XIII—POLICE.

Excess Rs. 92,292.

This is composed of excess under—

	RS.
District Executive Force amounting to	4,586
Loss by Exchange	87,706
Total ..	92,292

The excess under District Executive Force is due mainly to increased expenditure under arms and accoutrements and to anticipated savings consequent on the abolition of the 15 per cent vacancy reserve of the district force for which credit was taken in the budget not having been fully realized.

GRANT XVII—MEDICAL.

Excess Rs. 53,275.

This excess is under loss by exchange.

GRANT XXIX—PENSIONS.

Excess Rs. 81,774.

The excess is detailed as under:—

	RS.
(1) Superannuation and retired allowances	57,729
(2) Commuted value of pensions	9,550
(3) Compassionate allowances	128
(4) Loss by exchange	14,367
Total ..	81,774

The question of the way in which pensions partly due by one Government and partly by another were to be adjusted was under discussion during the year, and it was decided that in the case of pensions shared between the Central and Provincial Governments, the Central Government should pay the commuted value of its share in lump, the Provincial Government undertaking the entire pension. Though this decision was not come to until 1922-23, effect was given to it in the accounts in 1921-22. There was consequently a large adjustment on the receipt side on account of the commuted value of the Government of India's share of pensions shared between

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this Government and the Central Government. Meanwhile the whole amount of the pensions is debited to the Provincial Government. This transaction explains a large excess under "Superannuation allowances and pensions." The excess under "commuted value of pensions" is due to certain commutations having been drawn in the year which were not expected to be drawn till after the year expired.

GRANT XXX—STATIONERY AND PRINTING.

Excess Rs. 1,49,145.

	RS.
Stationery supplied from Central Stores	1,06,781
Loss by Exchange	42,364
Total ..	<u>1,49,145</u>

The Committee have examined the Superintendent of Stationery. They find that the chief causes of the excess were the following:— (1) Increase in the issues of printing paper, (2) rise in prices, (3) the creation of new offices, (4) the fact that in the case of certain offices two indents were complied with within the year.

The accounts are very involved and are unsuited to the present conditions. The Committee would recommend a thorough inquiry into the whole system of accounts by an officer with commercial accounts experience.

GRANT—XXXIII-B—MISCELLANEOUS.

Excess Rs. 1,40,037.

This amount is made up of three items—(1) Rs. 57,000 due to the Government of India on account of an excess amount adjusted in 1920–21 in connexion with exemptions from income-tax of incomes less than Rs. 2,000 per annum. The Government of India adjusted in 1920–21 in favour of the Provincial revenues an extra sum of Rs. 1,57,000, but a demand for supplementary grant which was obtained from the Council in the course of the year 1921–22 was for Rs. 1 lakh only. As the actual excess has now been ascertained to be Rs. 1.57 lakhs a sum of Rs. 57,000 had subsequently to be adjusted in favour of Central revenues; (2) Rs. 9,766 being two-thirds of Rs. 14,649 expenditure incurred on account of an indent of the Salt and Abkārī department which was debited in the first instance in full to the Central Government—the Provincial Government's share was subsequently readjusted to its debit; (3) Rs. 73,271 representing the cost of training of forest probationers which was adjusted under the orders of the Government of India during the year.

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4. The Committee accept the explanations given for the excess expenditure.

5. The Committee observe that the Auditor-General remarks that the Madras Government are alive to the seriousness of the financial situation and are taking vigorous steps to improve revenue and cut down expenditure; he also remarks that his examination of the appropriation accounts reveals on the whole close financial control, a result which could not have been attained without close and harmonious co-ordination between the Finance Department of the Government and the Accountant-General.

6. The Auditor-General remarks that the supplementary demands made in order to give effect to certain transfers made for account purposes between the heads of Grant XI—"24. Administration of Justice—Criminal Courts" and Grant I—"22. General Administration" need not have been asked for, and that the proper course would have been to apply for sanctions to reappropriation. The same remark applies to transfers made in 1921-1922 and 1922-1923 in relation to the head "40. Exchange". The Committee accept this view.

C. G. TODHUNTER.

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FORT ST. GEORGE,
22nd March 1923.

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TRUTH ALONE TRIUMPHS